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Message Text

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PAGE 01 KUALA 02664 030713Z
ACTION EA-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /138 W
----------083373 030717Z /15
R 030614Z APR 78
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 3215
INFO AMEMBASSY SINGAPORE
AMEMBASSY TOKYO

UNCLAS KUALA LUMPUR 2664

E.O.11652: N/A
TAGS: ENRG, EALR, BENC, MY
SUBJECT: PETRONAS SIGNS JOINT VENTURE AGREEMENT FOR BINTULU LNG PLANT

1. PETRONAS, SHELL AND MITSIBUSHI OFFICIALLY SIGNED THE JOINT VENTURE AGREEMENT ON THE BINTULU LIQUIFIED NATURAL GAS PLAN ON MARCH 31, 1978. IT IS ESTIMATED THAT THE CONSTRUCTION OF THE PLANT WILL COST OVER ONE MILLION DOLLARS AND WILL BE COMPLETED IN JANUARY OF 1983. THE PLANT'S CAPACITY WILL BE 6.4 TONS OF LNG PER ANNUM (THIS EQUALS ENERGY PRODUCTION OF THE EQUIVALENT OF 140,000 B/P/D OF CRUDE OIL.) SHELL INTERNATIONAL PETROLEUM MAATSHIPPIJ (SIMP) HAS BEEN APPOINTED AS TECHNICAL CONSULTANTS OF THE PROJECT.

2. AS REPORTED EARLIER, PETRONAS WILL HAVE 65 PERCENT OF THE EQUITY IN THE PROJECT WHILE SHELL AND MITSIBUSHI WILL EACH HAVE 17.5 PERCENT. THE LNG WILL BE HAULED TO MARKET, PRE-DOMINATELY JAPAN, IN TANKERS OWNED BY THE MALAYSIAN INTERNATIONAL SHIPPING CORPORATION (MISC) WHICH ARE ALREADY ON ORDER.

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3. COMMENT: THE SIGNING OF THE AGREEMENT, WHICH WAS DELAYED FOR TWO HOURS TO ALLOW FURTHER HAMMERING OUT OF DETAILS, MARKS THE END OF LONG AND DIFFICULT NEGOTIATIONS BETWEEN ALL PARTIES CONCERNED. THE PROJECT, THE LARGEST OF ANY KIND IN MALAYSI'S HISTORY, WILL ALLOW THE EXPLOITATION OF THE COUNTRY'S EXTENSIVE NATURAL GAS DEPOSITS THAT HAVE NO LOCAL MARKET AT PRESENT. MOVEMENT

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ON THIS PROJECT IS EXPECTED TO PROCEED RAPIDLY NOW DUE TO
THE EARLY ARRIVAL DATES OF THE LNG TANKERS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUALA02664
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780143-0426
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197804100/aaaadgyl.tel
Line Count: 65
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Litigation History:
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Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2817000
Secure: OPEN
Status: NATIVE
Subject: PETRONAS SIGNS JOINT VENTURE AGREEMENT FOR BINTULU LNG PLANT
TAGS: ENRG, EALR, BENC, MY
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/5a49b2a5-c288-dd11-92da-001cc4696bcc
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